

Metropolitan Area Designations by OMB: History, 2010 Standards, and Uses

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Summary

On June 28, 2010, the U.S. Office of Management and Budget (OMB) announced its uniform criteria, or “standards,” for delineating metropolitan and micropolitan statistical areas in the decade 2010 to 2020. Together, these areas are known informally as “metropolitan areas” and officially as “core-based statistical areas” (CBSAs); “core” refers to a large population concentration that is socially and economically integrated with surrounding territory. Also announced were the standards for delineating New England city and town areas (NECTAs), which are conceptually similar to CBSAs. The 2010 standards supersede those for designating metropolitan and micropolitan statistical areas in the decade 2000 to 2010. The terms “core-based statistical area” and “micropolitan” first were used in the 2000 standards. The current standards have changed only slightly from the previous decade’s. Changes include reference to “delineating,” instead of “defining,” CBSAs and NECTAs; a lower threshold for the automatic combination of two CBSAs; and no further provision for local opinion to influence whether some areas will combine or what titles combined areas will receive.

CBSAs consist of whole counties and county-equivalents in the United States and Puerto Rico. Each CBSA must contain at least one urbanized area of 50,000 or more people (for a metropolitan statistical area) or at least one urban cluster of 10,000 to 49,999 people (for a micropolitan statistical area). CBSAs have one or more principal cities and central counties. Outlying counties are included in CBSAs on the basis of employment and commuting data. Counties that do not qualify for inclusion in CBSAs are classified as “outside core-based statistical areas.” The criteria for designating NECTAs closely resemble the CBSA criteria, and NECTAs are either metropolitan or micropolitan, but they are based on cities and towns rather than counties.

On February 28, 2013, OMB issued the actual lists of CBSAs—the titles of the areas, with their principal city and county components. NECTAs and their components were listed, too. The lists were derived by applying the OMB standards to population data from the 2010 census, conducted by the U.S. Bureau of the Census (Census Bureau, part of the U.S. Department of Commerce), as well as employment and commuting data from the Bureau’s American Community Survey (ACS) estimates for 2006 through 2010. After 2013, updated data are to be used for any changes in the lists.

In principle, metropolitan area delineations are to be used solely for descriptive, statistical purposes. In practice, however, they can have a use unintended by OMB, in formulas for allocating certain federal grant program funds. For this reason, among other reasons, CBSAs can attract congressional attention because they can be important to congressional constituents.

No straightforward procedure exists for calculating the exact amount of money distributed through all federal grant programs whose funding formulas incorporate metropolitan area designations, or for determining how changes in these designations might affect the total funding allocated to a specific jurisdiction. Even identifying comprehensively which programs use metropolitan area designations would require reviewing the statutes, regulations, and formulas associated with all programs. If such identification were feasible, it would be only the beginning of any attempt to determine whether inclusion in, or exclusion from, a particular metropolitan area or its components translates directly into an increase or decrease in the money a particular jurisdiction might receive from all federal grant programs whose funding formulas rely on these designations. The question then would have to be addressed program by program and posed to department or agency program staff.

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Background

The U.S. Office of Management and Budget's (OMB's) designations of metropolitan areas—officially called “core-based statistical areas” (CBSAs)—can attract congressional attention in part because they can be important to congressional constituents. OMB observed in 2000 that CBSAs “represent areas in which people reside, work and spend their lives and to which they attach a considerable amount of pride.”¹ CBSA designations also can influence, as examples, public planning and decisions by businesses about where to locate or how to identify their markets. Thus, variables like the territory encompassed in an area, the territory excluded, and the area's title can generate interest among diverse constituents, including state and local officials, business groups, and nonprofit organizations. This interest can be heightened insofar as the standards are used in a particular way unintended by OMB, in formulas for allocating certain federal grant program funds. When the nationally uniform criteria, or “standards,” for designating metropolitan areas are revised, state and local officials, among other constituents, may prompt their Members of Congress to ask how the changes might affect the federal funds distributed to their jurisdictions on the basis of these programs.

This report presents a short history of metropolitan area standards, notes OMB's announcement of the standards for delineating these areas in the decade 2010 to 2020 (the 2010 standards) and the 2013 release of lists showing the actual CBSA delineations, gives details about the 2010 standards, and discusses the difficulty of ascertaining how metropolitan area designations affect federal funds allocation.

Brief History of Metropolitan Area Standards

Standards for designating metropolitan areas represent an attempt to describe systematically the linkage between a large population concentration and the territory surrounding it. According to OMB, the standards originated because of the realization, during the 1940s, that “the value of metropolitan data produced by Federal agencies would be greatly enhanced if agencies used a single set of geographic delineations for the Nation's largest centers of population and activity.”² At the time, agencies were designating “a variety of statistical geographic areas at the metropolitan level ... using different criteria applied to different geographic units.” The result was that “one agency's statistics were not directly comparable with another agency's statistics for any given area.”³

The U.S. Bureau of the Budget, predecessor to the Office of Management and Budget, “led the effort to develop what were then called ‘standard metropolitan areas’ in time for their use in 1950 census publications. Since then, comparable data products for metropolitan areas have been available.”⁴ The first such areas were designated in 1949. The standards were revised in 1958, 1971, 1975, 1980, 1990, and 2000, as well as in 2010. The Bureau of the Budget became OMB in 1970. Responsibility for the standards passed to OMB, where it has remained except from 1977

¹ U.S. Office of Management and Budget, “Standards for Defining Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 65, no. 249, December 27, 2000, p. 82232.

² U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37246.

³ U.S. Office of Management and Budget, “Standards for Defining Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 65, no. 249, December 27, 2000, p. 82228.

⁴ U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37246.

to 1981, when it rested with the Office of Federal Statistical Policy and Standards in the U.S. Department of Commerce.⁵

Since the start of the metropolitan areas program, the standards for designating these areas have been reviewed “and, if warranted, revised ... in the years preceding their application to new decennial census data.”⁶ Examination of the standards for 2000 to 2010 (the 2000 standards), to determine what, if any, revisions of them should occur before the 2010 census, began in 2008, when OMB “charged the Metropolitan and Micropolitan Statistical Area Standards Review Committee” with this task.⁷ The Commerce Department’s Bureau of the Census (Census Bureau), which, among its other responsibilities as the nation’s foremost statistical agency, conducts the decennial census, chaired the committee and “provided research support.”⁸ Other representatives from the federal statistical system were the Bureau of Economic Analysis (in the Commerce Department), the Bureau of Labor Statistics (in the U.S. Department of Labor), the Bureau of Transportation Statistics (in the U.S. Department of Transportation, DOT), the Economic Research Service (in the U.S. Department of Agriculture, USDA), and the National Center for Health Statistics (in the U.S. Department of Health and Human Services, HHS). OMB was represented *ex officio*. The committee’s recommendations for limited revisions of the standards were made public in 2009⁹ and adopted by OMB in 2010, as discussed below.

Introduction to the 2010 Standards

In a June 28, 2010, *Federal Register* notice, OMB announced the standards for delineating core-based statistical areas—the two categories of which are metropolitan and micropolitan statistical areas—during the decade 2010 to 2020. The terms “core-based statistical area” and “micropolitan” first were used in the 2000 standards. As OMB explained, the “general concept of a metropolitan statistical area is that of an area containing a large population nucleus [core] and adjacent communities that have a high degree of integration with that nucleus. The concept of a micropolitan statistical area closely parallels that of the metropolitan statistical area, but a micropolitan statistical area features a smaller nucleus.” The *Federal Register* notice also presented the 2010 standards for delineating New England city and town areas (NECTAs), which are conceptually similar to CBSAs.

The new standards, superseding those for 2000 to 2010, differ only slightly from the previous decade’s and incorporate the changes recommended by the Metropolitan and Micropolitan Statistical Area Standards Review Committee. One recommendation was that OMB characterize the 2010 standards as being used to “delineate” rather than, as in the past, “define” the “boundaries or geographic makeup of an area.” OMB accepted the change because, in its words, the term “define” was not “intuitive” to those unfamiliar with the metropolitan areas program and

⁵ U.S. Bureau of the Census, “About Metropolitan and Micropolitan Statistical Areas,” at <http://www.census.gov/population/www/metroareas/aboutmetro.html>.

⁶ U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37246.

⁷ *Ibid.*

⁸ *Ibid.*, p. 37247.

⁹ U.S. Office of Management and Budget, “Recommendations from the Metropolitan and Micropolitan Statistical Area Standards Review Committee to the Office of Management and Budget Concerning Changes to the 2000 Standards for Defining Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 74, no. 28, February 12, 2009, pp. 7172-7177.

“occasionally ... caused misunderstandings.”¹⁰ Other changes are noted below, in the detailed discussion of the 2010 standards.

Although OMB declared the notice “effective immediately,”¹¹ it did not issue lists showing the actual delineations of CBSAs under the 2010 standards—the titles of the areas, together with their principal city and county components—until February 28, 2013. Newly delineated NECTAs and their components were issued then, too.¹² Producing these lists involved applying the 2010 standards to population data from the 2010 census, as well as employment and commuting data from the Bureau’s American Community Survey (ACS) estimates for 2006 through 2010.¹³ Hence, although OMB establishes the criteria for designating metropolitan areas, Census Bureau data are used to generate the specific areas.

The 2010 Standards in Detail

A core-based statistical area is a “statistical geographic entity consisting of the county or counties associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties containing the core.”¹⁴ CBSAs comprise whole counties and county equivalents in the United States and Puerto Rico. Counties that do not qualify to be in CBSAs are classified as “outside core-based statistical areas.”¹⁵

OMB’s inclusion of standards for delineating New England city and town areas acknowledged the particular importance of these jurisdictions to this six-state census division.¹⁶ NECTAs, which are not county based, are intended to be used, “whenever feasible and appropriate,” with data for New England. OMB recommended, however, that those who need areas delineated according to nationally consistent geographic components—counties—choose CBSAs in New England.¹⁷

¹⁰ U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37249.

¹¹ *Ibid.*, p. 37246.

¹² U.S. Office of Management and Budget, “Revised Delineations of Metropolitan Statistical Areas, Micropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations of These Areas,” OMB Bulletin no. 13-01, at <http://www.whitehouse.gov/sites/default/files/omb/bulletins/2013/b13-01.pdf>.

¹³ These estimates, released on December 8, 2011, are averages of data gathered over a five-year period, from 2006 through 2010. For a discussion of the American Community Survey, see CRS Report R41532, *The American Community Survey: Development, Implementation, and Issues for Congress*, by Jennifer D. Williams.

¹⁴ U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37251.

¹⁵ *Ibid.*, p. 37250.

¹⁶ *Ibid.*, p. 37249.

The New England census division consists of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

The Census Bureau does not define “city” or “town,” but notes that they are examples of incorporated places. “Incorporated places are those reported to the ... Bureau as legally in existence as of January 1, 2010, as reported in the latest Boundary and Annexation Survey (BAS), under the laws of their respective states.... An incorporated place usually is a city, town, village, or borough, but can have other legal descriptions.” U.S. Bureau of the Census, “2010 Census Geographic Terms and Concepts,” p. A-21, at http://www.census.gov/geo/www/2010census/gtc_10.html.

¹⁷ U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37249.

Metropolitan and Micropolitan Categories

Each CBSA must contain “a Census Bureau delineated urbanized area of at least 50,000 population or a Census Bureau delineated urban cluster of at least 10,000 population.”¹⁸ Urbanized areas and urban clusters collectively are called “urban areas.”¹⁹ CBSAs are categorized as “metropolitan” or “micropolitan” according to the criteria below.

- Metropolitan statistical areas have urbanized areas of 50,000 or more people.
- Micropolitan statistical areas have urban clusters of at least 10,000 but fewer than 50,000 people. They represent a recognition that certain entities, although less populous than metropolitan statistical areas, have some characteristics in common with them and are not well described simply as “nonmetropolitan.”²⁰

New England city and town areas, like CBSAs, contain either urbanized areas or urban clusters and are called either “metropolitan” or “micropolitan.”

Principal Cities of CBSAs and NECTAs

CBSAs have one or more principal cities, which include

- the most populous incorporated place in the CBSA with a 2010 census population of at least 10,000 people, or, if the CBSA contains no such place, the most populous incorporated place or census designated place (CDP);²¹
- any additional incorporated place or CDP with a 2010 census population of at least 250,000 people, or where 100,000 or more people work;
- any additional incorporated place or CDP with a 2010 census population of at least 50,000 but fewer than 250,000 people, “in which the number of workers working in the place meets or exceeds the number of workers living in the place”;²² and

¹⁸ Ibid.

¹⁹ Ibid., pp. 37249-37250.

The Census Bureau issued proposed and final criteria for delineating urban areas on the basis of 2010 census data. The criteria retain the previously established concepts of urbanized areas and urban clusters. U.S. Department of Commerce, Bureau of the Census, “Proposed Urban Area Criteria for the 2010 Census,” *Federal Register*, vol. 75, no. 163, August 24, 2010, p. 52174; “Urban Area Criteria for the 2010 Census,” *Federal Register*, vol. 76, no. 164, August 24, 2011, p. 53030.

²⁰ U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37250.

²¹ “Census designated places,” according to the Census Bureau, “are the statistical counterparts of incorporated places, and are delineated to provide data for settled concentrations of population that are identifiable by name but are not legally incorporated under the laws of the state in which they are located. The boundaries usually are defined in cooperation with local or tribal officials and ... updated prior to each decennial census.” CDP boundaries, “which usually coincide with visible features or the boundary of an adjacent incorporated place or another legal entity boundary, have no legal status, nor do these places have officials elected to serve traditional municipal functions.” The boundaries “may change from one decennial census to the next with changes in the settlement pattern; a CDP with the same name as in an earlier census does not necessarily have the same boundary. CDPs must be contained within a single state and may not extend into an incorporated place. There are no population size requirements for CDPs.” U.S. Bureau of the Census, “2010 Census Geographic Terms and Concepts,” p. A-21, at http://www.census.gov/geo/www/2010census/gtc_10.html.

²² U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37250.

- any additional incorporated place or CDP with a 2010 census population of at least 10,000 but fewer than 50,000 people, which also has at least one-third the population size of the CBSA's most populous place, and where "the number of workers working in the place meets or exceeds the number of workers living in the place."²³

The same criteria are used to designate the principal cities of NECTAs.²⁴

Central and Outlying Counties of CBSAs

CBSAs have one or more central counties. A central county receives this designation under either of the following conditions:

- at least 50% of the residents live in urban areas of 10,000 or more people; or
- the county boundaries contain a population of at least 5,000 people, located in a single urban area of 10,000 or more people.

To qualify as an outlying county of a CBSA, a county must meet either of two criteria, both of which concern commuting to and from work:

- at least 25% of the outlying county's employed residents work in the central county or counties of the CBSA; or
- workers who live in the central county or counties of the CBSA account for at least 25% of the employment in the outlying county.

The counties of a CBSA must be contiguous, and "a county may be included in only one CBSA." If a county qualifies as central in one CBSA and outlying in another, it is assigned to the CBSA in which it is central. A county that qualifies as outlying in "multiple CBSAs" is assigned to the CBSA "with which it has the strongest commuting tie," based on the criteria given above.²⁵

Merged Versus Combined CBSAs

The 2010 standards, like those issued in 2000, interpret the terms "merge" and "combine" differently. Two merged CBSAs form a single entity. When CBSAs are combined, however, they "continue to be recognized as individual CBSAs" within the combined statistical area.²⁶

Merged CBSAs

Two adjacent CBSAs are merged into a single CBSA "if the central county or counties (as a group) of one CBSA qualify as outlying to the central county or counties (as a group) of the other CBSA," according to the commuting criteria specified above.²⁷

²³ Ibid.

²⁴ Ibid., p. 37249.

²⁵ Ibid., p. 37250.

²⁶ Ibid.

²⁷ Ibid.

Combined CBSAs

Adjacent CBSAs may form a combined statistical area based on what OMB calls the “employment interchange measure.” This measure is the sum of two figures concerning any two adjacent CBSAs: the percentage of the less populous CBSA’s employed residents who work in the more populous CBSA, plus the percentage of employment in the less populous CBSA accounted for by working residents of the more populous CBSA.²⁸ The 2010 standards require automatic combination of the two CBSAs if their employment interchange measure is 15 or higher.²⁹

The 2000 standards, in contrast, provided for the automatic combination of adjacent CBSAs only if their employment interchange measure was 25 or higher. If the measure was at least 15 but less than 25, the CBSAs were combined only when “local opinion, as reported by the congressional delegations in both areas,” favored combination.³⁰ The 2010 standards not only lower the threshold for automatically combining CBSAs, but also state that OMB no longer will consider local opinion in determining whether areas will combine. The reason OMB gave for this change was that it could not take local opinion into account “without undermining efforts to achieve a consistent, national approach designed to enhance the value of data produced by Federal agencies.”³¹ As delineated under the 2000 standards, “the universe of combined statistical areas is heterogeneous and incomplete. This calls into question the comparability of the areas.”³²

Divisions of Metropolitan Statistical Areas and NECTAs

A metropolitan statistical area that contains at least 2.5 million people in a single urbanized area may be subdivided into groups of contiguous counties called “metropolitan divisions.” A metropolitan division comprises one or more main or secondary counties “that represent an employment center or centers,” plus adjacent counties with commuting ties to the main or secondary county or counties.³³

A county is termed a “main county” of a metropolitan division if it meets the conditions below:

- at least 65% of its employed residents work in the county; and
- the ratio of the number of workers employed in the county to the number of employed county residents is .75 or higher.

A county receives a “secondary county” classification if

- at least 50% but under 65% of its employed residents work in the county; and
- the ratio of the number of workers employed in the county to the number of employed county residents is .75 or higher.

A main county is automatically the basis for a metropolitan division. The standards specify, however, that for a secondary county to qualify as such, “it must join with either a contiguous

²⁸ Ibid., p. 37251.

²⁹ Ibid., p. 37250.

³⁰ U.S. Office of Management and Budget, “Standards for Defining Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 65, no. 249, December 27, 2000, p. 82237.

³¹ U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37247.

³² Ibid., p. 37248.

³³ Ibid., pp. 37251-37252.

secondary county or a contiguous main county with which it has the highest employment interchange measure.” This measure must be 15 or higher.³⁴

A NECTA with a single urbanized area of at least 2.5 million people may be subdivided into groups of contiguous cities and towns called “NECTA divisions.”

- The minimum population size for each NECTA division is 100,000 people.
- A main city or town of a NECTA division must have at least 50,000 residents, with fewer than 20% of them “out-commuting” to another city or town.³⁵

Titles of Areas or Divisions

The title of each CBSA, NECTA, metropolitan division, and NECTA division includes the name of its principal city with the largest 2010 census population. If the area or division has several principal cities, the name of the most populous appears first, followed by the second and third largest. Exceptions are noted below.

- If the most populous principal city of a CBSA is a census designated place, the title lists, first, the name of the largest incorporated place with 10,000 or more people that is a principal city and, second, the name of the CDP.
- If a metropolitan division does not have any principal cities, the title lists the names of no more than three of the division’s most populous counties, from largest to smallest.
- If a NECTA division does not have any principal cities, the title lists the names of no more than three of its most populous cities or towns, from largest to smallest.

The title of a combined statistical area includes the names of its two most populous principal cities. If the area has a third-largest principal city, the title will list this name, too, but only if the title does not then duplicate the title of one of the component CBSAs. The 2000 standards allowed local opinion to influence the naming of combined statistical areas. The 2010 standards do not provide for this, just as, to ensure national consistency, they make no provision for OMB to take local opinion into account when determining whether certain areas will combine.³⁶

All area or division titles include the names of the states where they are located.

Updating the Designations After 2013

As previously mentioned, OMB released, on February 28, 2013, the lists of CBSAs and NECTAs delineated according to the 2010 standards. Subsequent designations of any new areas are to be based on updated population figures from whatever special censuses³⁷ have been conducted for specific localities since the 2010 census and from the Census Bureau’s annual population

³⁴ Ibid., p. 37250.

³⁵ Ibid.

³⁶ Ibid., pp. 37250-37251.

³⁷ The Census Bureau defines a “special census” as “a basic enumeration of population, housing units, and group quarters conducted ... at the request of a governmental unit,” such as a local or tribal government. Governmental officials may request such a census when they believe that their community has experienced substantial population change because of growth or annexation. Special censuses are conducted “on a cost-reimbursable basis”; that is, the governmental unit requesting this census bears the full responsibility for its cost. U.S. Bureau of the Census, Special Census Program, “Frequently Asked Questions,” at <http://www.census.gov/regions/specialcensus/faqs.html>.

estimates,³⁸ and on five-year employment and commuting data from the American Community Survey. OMB plans to review, in 2018, “the delineations of all existing CBSAs and related statistical areas,” taking into account five-year, 2011 through 2015, ACS employment and commuting data, and designating any new areas indicated by this review.³⁹

Intended and Unintended Uses of the Designations

OMB commented in 2000 that the success of metropolitan area designations was evident from their widespread application, including “to inform the debate and development of public policies and ... to implement and administer a variety of nonstatistical Federal programs.”⁴⁰ As OMB stated then⁴¹ and reiterated in issuing the 2010 standards, however, the purpose of the standards always has been strictly statistical. “The classification provides a nationally consistent set of delineations for collecting, tabulating, and publishing Federal statistics for geographic areas.”⁴² When “reviewing and revising these areas,” OMB emphasized, it “does not take into account or attempt to anticipate any public or private sector nonstatistical uses that may be made of the delineations. These areas are not designed to serve as a general-purpose geographic framework applicable for nonstatistical activities or for use in program funding formulas.” Further, “OMB urges agencies, organizations, and policy makers to review carefully the goals of nonstatistical programs and policies to ensure that appropriate geographic entities are used to determine eligibility for the allocation of Federal funds.”⁴³

Among the unintended uses of the metropolitan area designations are, as indicated by the above quotation from OMB, to establish applicant or beneficiary eligibility for certain federal grant programs, or as an element in program formula and matching requirements. Three examples of such programs, cited below, were taken from the *Catalog of Federal Domestic Assistance* (CFDA), the federal government’s compendium of approximately 2,100 authorized domestic assistance programs.⁴⁴

- CFDA 10.433, Rural Housing Preservation Grants (Rural Housing Service, USDA). **Criteria for Selecting Proposals:** The “proposed program will be

³⁸ The Bureau’s population estimates program produces the official annual estimates of the resident population for the total United States, states and the District of Columbia, counties, incorporated places and minor civil divisions, and metropolitan areas. Estimates by basic population characteristics—age, sex, race, and Hispanic or Latino ethnicity—are available yearly for the nation, states and the District of Columbia, and counties. The estimates are benchmarked to the most recent decennial census and rely mainly on administrative records, such as birth and death records from the National Center for Health Statistics, Medicare enrollment data, and Internal Revenue Service tax return data on addresses, to update the census numbers. U.S. Bureau of the Census, “Population Estimates,” at <http://www.census.gov/popest/estimates.html>.

³⁹ U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37251.

⁴⁰ U.S. Office of Management and Budget, “Standards for Defining Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 65, no. 249, December 27, 2000, p. 82228.

⁴¹ *Ibid.*

⁴² U.S. Office of Management and Budget, “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas,” *Federal Register*, vol. 75, no. 123, June 28, 2010, p. 37246.

⁴³ *Ibid.*

⁴⁴ The *Catalog of Federal Domestic Assistance* is searchable online at <http://www.cfda.gov> and is available in print; see U.S. General Services Administration, *Catalog of Federal Domestic Assistance* (Washington: GPO, 2013), updated annually. Updates to the web version are continuous.

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undertaken in non-Metropolitan Statistical Areas identified by Rural Development as having populations below 10,000 or in remote parts of other rural areas (i.e., rural areas contained in Metropolitan Statistical Areas with less than 5,000 population)”

- CFDA 12.611, Community Economic Adjustment Assistance for Reductions in Defense Industry Employment (Office of Economic Adjustment, Department of Defense). **Applicant Eligibility:** “The local action must result in the loss of: 2,500 or more employee positions, in the case of a Metropolitan Statistical Area; 1,000 or more employee positions, in the case of a labor market area outside of a Metropolitan Statistical Area; or one percent of the total number of civilian jobs in that area to be considered for this assistance.”
- CFDA 93.301, Small Rural Hospital Improvement Grant Program (Health Resources and Services Administration, HHS). **Beneficiary Eligibility:** For the purpose of this program, “‘Rural’ is defined as either located outside of a Metropolitan Statistical Area (MSA) or located within a rural census tract of a[n] MSA”

It should be noted that, despite OMB’s intentions, if a statute mandates a particular program use of metropolitan area designations, the department or agency administering the program has no choice but to apply the designations in accordance with the law.

Difficulty of Ascertaining How the Designations Affect Federal Funds Distribution

No direct procedure exists for calculating precisely the amount of money distributed through all federal grant programs that use metropolitan area designations (referring to metropolitan statistical areas or micropolitan statistical areas), or for determining how changes in the delineations of specific jurisdictions affect the total funding allocated to them. Even generating a comprehensive list of programs whose funding formulas refer to these designations would be problematic.

Limitations of Searching the CFDA

A major impediment to producing such a list is the lack of any straightforward means of identifying with certainty all, or even most, programs listed in the *Catalog of Federal Domestic Assistance* that in some way use metropolitan area designations to distribute money.

The CFDA’s general program descriptions are not detailed enough to present every variable that factors into determining applicant or beneficiary eligibility for the programs. For example, conducting a CFDA search with the phrase “metropolitan statistical area” or the abbreviation “MSA” yields fewer than 20 hits. This small number does not reflect accurately each instance when a program relies on some feature of metropolitan area designations to distribute funds, because the search involves only program descriptions—not the statutes, regulations, and variables in mathematical formulas associated with the programs. A related limitation is that certain federal programs have subprograms not presented separately in the CFDA.

Two main funding sources frequently cited as being affected by MSA designations are federal transportation and highway funds, and the Department of Housing and Urban Development’s

(HUD's) Community Development Block Grants (CDBGs).⁴⁵ Two CFDA program descriptions cited below as bullet points provide examples of this funding and illustrate the difficulty of ascertaining from a CFDA search which programs in fact rely on MSA data. The two programs use urbanized area designations "linked to ... MSA" designations⁴⁶ in identifying communities, such as for CDBGs, or defining other entities, such as highway Metropolitan Planning Organizations, that might qualify for federal funds. The first example indicates that CFDA program descriptions may use the term "Metropolitan Areas" (capitalized or lowercase) interchangeably with, or instead of, "metropolitan statistical areas." The second example shows that highway program descriptions in the CFDA may not include either of these exact phrases.

- CFDA 14.218, Community Development Block Grant Program for Entitlement Communities (Office of Community Planning and Development, HUD). **Applicant Eligibility:** "Recipients are states; cities in Metropolitan Areas designated by OMB as a central city of the Metropolitan Area; other cities over 50,000 in Metropolitan Areas; and qualified urban counties of at least 200,000"
- CFDA 20.205, Highway Planning and Construction (Federal Highway Administration, DOT). **Uses and Use Restrictions:** "Projects in urban areas of 50,000 or more population must be based on a transportation planning process carried out by a Metropolitan Planning Organization (MPO) in cooperation with the State and transit operators, and the projects must be included in metropolitan transportation plans and improvement programs."

Other Strategies

Finding comprehensively which programs use metropolitan area designations would require reviewing the statutes, regulations, and formulas associated with all programs. The Government Accountability Office (GAO) conducted a partial review, using the terms "metropolitan statistical area(s)" and "MSA" to search the *U.S. Code*, for a report issued in 2004 about the 2000 standards and their possible impact on certain federal programs.⁴⁷ GAO identified 32 programs noted in the *Code* that use these terms in determining program eligibility and mentioned briefly how the new standards might affect the distribution of program funds.⁴⁸ GAO cautioned that its search "was limited to the United States Code and was not intended to serve as an exhaustive list of federal programs that refer to metropolitan statistical areas."

Although GAO did not repeat its search strategy with the *Code of Federal Regulations* (CFR), combining the results of *Code* and CFR searches might yield a longer list of these programs.

Another approach would be to consult the program staff at the department or agency administering each program. The CFDA provides contact information for every program listed.⁴⁹

⁴⁵ George W. Hammond and Brian J. Osoba, "The Growth Impact of the Metropolitan Statistical Area Designation," *Annals of Regional Science*, vol. 42 (2008), p. 310.

⁴⁶ Ibid.

⁴⁷ U.S. Government Accountability Office, *Metropolitan Statistical Areas: New Standards and Their Impact on Selected Federal Programs*, GAO-04-758 (Washington: June 2004), p. 7.

⁴⁸ Ibid., pp. 23-28.

⁴⁹ An alternative for congressional staff might be to contact the departments' or agencies' congressional liaison offices and request them to consult the program staff.

Metropolitan Area Status and Eligibility for Federal Funds

If a complete list of programs whose formulas use metropolitan area designations were available, it would be only the beginning of any attempt to determine whether inclusion in, or exclusion from, a particular metropolitan area or its components translates directly into an increase or decrease in the funds a particular jurisdiction might receive from all federal grant programs that rely on these designations. Again, the question would have to be addressed program by program and posed to department or agency program staff.

GAO's 2004 report described the intensive effort necessary to investigate just a few programs. Of the 32 programs GAO identified through the *Code* search as using metropolitan area designations, it presented detailed information about the 2000 standards' effects on four: HUD's Community Development Block Grants, the U.S. Office of Personnel Management's Locality Pay Program for General Schedule Employees, HHS's Medicare payment system for hospital in-patients, and HHS's Ryan White CARE Act Program. "To determine how the 2000 standards affected these programs," GAO wrote, "we reviewed relevant documentation, such as analysis performed by the program offices on the impact of new standards; attended public hearings; and interviewed agency officials overseeing these programs."⁵⁰ Replicating this effort for all programs and keeping the information current, so as to account for any updates to metropolitan and micropolitan statistical area delineations based on the 2010 standards, would be of questionable feasibility. The process would entail a considerable, recurrent investment of resources, and even then might yield incomplete results of limited utility.

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⁵⁰ U.S. Government Accountability Office, *Metropolitan Statistical Areas: New Standards and Their Impact on Selected Federal Programs*, GAO-04-758 (Washington: June 2004), pp. 6-7.